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PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

Suite 700 - 808 West Hastings Street, Vancouver, British Columbia V6C 3L3
Telephone (604) 660-4444 Fax: (604) 660-0374
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Service Since 1963

ANNUAL REPORT

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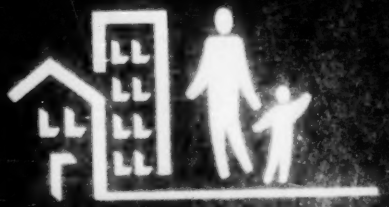

PUBLIC GUARDIAN
AND TRUSTEE OF
BRITISH COLUMBIA

Message from the Public Guardian and Trustee

The year 1999-2000 marked a significant year of transition for the Public Guardian and Trustee of British Columbia. We started the year as the Public Trustee and ended it as the Public *Guardian* and Trustee. The proclamation on February 28, 2000 of the new *Public Guardian and Trustee Act* meant that we entered the new millennium with a modernized statutory framework that more closely reflects society's current expectations of our office.

Jay Chalke

The *Public Guardian and Trustee Act* creates two new bodies that will ensure our current practice of working collaboratively with external partners continues. The new Public Guardian and Trustee Advisory Board and Investment Advisory Committee will provide ongoing external advice and perspective to our organization.

Also of great significance is the new legislative structure for planning, financing and accountability found in Part 3 of the *Public Guardian and Trustee Act*. The accountability requirements represent some of the most stringent provisions governing any public body in British Columbia. We are now the most publicly accountable Public Guardian and Trustee in Canada.

The selective proclamation of the other three Acts that comprise the adult guardianship legislation—the *Representation Agreement Act*, the *Adult Guardianship Act* and the *Health Care (Consent) and Care Facility (Admission) Act*—represents a significant milestone in the interests of adults requiring assistance in decision making.

The *Representation Agreement Act* enables adult British Columbians to comprehensively plan for a time when they may be unable to independently make their own decisions regarding such matters as their property, personal care or health care. Following a transition period (scheduled to end September 5, 2001), representation agreements will replace enduring powers of attorney as the mechanism by which advance property planning is carried out. Valid enduring powers of attorney made before this date will remain in effect.

While the new Act is not without its critics, I am committed to working toward improvements that make representation agreements work as well in practice as in theory. To assist British Columbians with thinking about their new planning options, we published "It's Your Choice – A Guide to Making a Representation Agreement."

Preparing for the proclamation of Part 3 of the *Adult Guardianship Act*—Support and Assistance for Abused and Neglected Adults—has also resulted in significant activity for our office. We have worked closely with the agencies designated under the Act (regional health authorities and the Ministry for Children and Families), as well as assessors and 70 new Community Response Networks to ensure coordinated investigations into allegations of adults being abused or neglected.

It is a credit to these designated agencies and their staff that they have fulfilled this mandate without additional resources by maximizing the effectiveness of existing informal practices. Community Response Networks continue to demonstrate their resourcefulness by turning small grants from our office (averaging about $4,000 per network per year) into tangible measures to prevent abuse and neglect in their communities.

The *Health Care (Consent) and Care Facility (Admission) Act* represents the fourth aspect of the new adult guardianship legislation. This Act replaces the previous common law approach to consent to health care and recognizes the role of family members to act as substitute decision-makers without court intervention. The Public Guardian and Trustee's role under this Act is to assist individuals who are unable to make their own health care decisions and have no committee, no representative or no available family members. In these circumstances, our office can either make the health care decision or appoint non-family members, such as friends, to do so.

Readying ourselves to take on this decision-making responsibility for health care was a major focus of our work during 1999-2000. The challenge for the Public Guardian and Trustee is to implement our new health care decision-making role in a manner that is timely, individualized and compassionate.

"The challenge for the Public Guardian and Trustee is to implement our new health care decision-making role in a manner that is timely, individualized and compassionate."

Jay Chalke

As highlighted in this report, we continue to use technology in new and innovative ways. Our Web site is developing into a primary vehicle for communication with the general public and service providers. Our office has formed a creative partnership with the Public Trustee of Saskatchewan to jointly develop a new computerized system that will provide case management and statistical information as well as the more traditional trust accounting support to our staff. This unique partnership is allowing us to obtain the maximum amount of new technology at a minimum cost.

We are continuing to seek new ways to improve the accessibility of our services. For example, all Lower Mainland clients for whom we are committee under the *Patients Property Act* now receive a visit from one of our staff within six weeks of the commencement of our authority. In addition, this year we opened our first satellite office at Riverview Hospital, which has allowed us to serve the on-site residents and to meet regularly with their families and social workers.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Our office is exploring new and effective ways to manage serious workload issues. We always seek to maximize front line resources focusing on client service. The additional one-time tasks related to the proclamation of the adult guardianship legislation and our new computer system have—through the tremendous contribution of our employees—been managed with little disruption to existing services. Our staff continues to demonstrate their dedication to our clients. The resulting accomplishments of the year are a tribute to their efforts.

As British Columbia entered a new millennium, the Public Guardian and Trustee entered a new era. Equipped with new laws, new technology and a renewed focus on client service and accessibility, we look back on the year with pride, and forward with anticipation as we continue to make progress in delivering our vital mission.

Jay Chalke

Public Guardian and Trustee

102-00774/

Report from the Deputy Public Guardian and Trustee

This year the Public Guardian and Trustee was involved in a number of proceedings that succeeded in clarifying the laws protecting those under legal disability. In particular, the Public Guardian and Trustee participated in two important cases heard by the B.C. Court of Appeal, which defined the scope of authority of committees to manage an adult's assets for purposes of estate planning. In another case, the obligations of a committee in making investments for an adult were clarified. Such developments in the law assist committees in carrying out their duties and ultimately increase the level of financial security afforded to British Columbians who are represented by committees.

This past year, due in part to long-time recommendations made to government by the Public Guardian and Trustee and community-based advocacy groups, the law regarding the eligibility of adults who are represented by a committee to receive B.C. Benefits was changed for the better. Previously, adults with disabilities who were the beneficiaries of funds held in discretionary trusts, were able to continue collecting B.C. Benefits. This entitlement, however, did not apply to adults with mental disabilities whose funds were administered by a committee. In November, 1999, the provincial government amended disability benefits legislation to provide more equitable access to benefits for adults represented by a committee. Now, adults who have assets up to $100,000 and who are represented by a committee can continue to receive disability benefits.

The Public Guardian and Trustee also continued its involvement in a number of class action lawsuits on behalf of British Columbia claimants who are under legal disability. The Public Guardian and Trustee reviewed the terms of the proposed settlement plan in the Hepatitis C class action, providing recommendations to the Court with a view to protecting and enhancing the claims of children and adults requiring assistance in managing their affairs. We will continue to work with class action counsel and others to implement the settlement so that claimants under legal disability enjoy equal access to the benefits of the package.

The implementation of the adult guardianship legislation brought new roles and responsibilities to the office as a whole, and new challenges to Legal Services. Under the *Representation Agreement Act*, the Public Guardian and Trustee is given the responsibility

of reviewing objections made by any person regarding the making or use of a representation agreement or the actions of a representative. The new law provides that, if appropriate, the Public Guardian and Trustee will investigate the objections and seek legal remedies as necessary.

The *Adult Guardianship Act* also creates a new role for the Public Guardian and Trustee in authorizing the provision of protective services to adults who are abused or neglected and unable to assist themselves. In addition, the new legislation gives the Public Guardian and Trustee more effective investigative and emergency powers to protect the legal and financial interests of children and vulnerable adults. The challenge to our Legal Services group will be to ensure that the new roles and responsibilities of the Public Guardian and Trustee are carried out efficiently and with sensitivity.

Catherine Romanko
A/Deputy Public Guardian and Trustee

HIGHLIGHTS OF THE NEW PUBLIC GUARDIAN AND TRUSTEE ACT

- As of February 28, 2000, the Public Trustee of British Columbia is to be known as the Public Guardian and Trustee of British Columbia.
- An Advisory Board is to be established to provide advice and make recommendations on the strategic direction, functions and effectiveness of the delivery of services of the Public Guardian and Trustee.
- The new Act clarifies and improves the ability of the Public Guardian and Trustee to address cases where individuals are financially abused.
- Investment options for clients' funds have been expanded under the Act to reflect current industry standards and an Investment Advisory Committee is to be created.
- An independent evaluation of this Act, and the other three adult guardianship Acts, will be undertaken in 2003 to ensure the new laws are working as intended.

KEY ACHIEVEMENTS 1999-2000

Implementing New Adult Guardianship Laws

COMMUNITY RESPONSE NETWORKS

In anticipation of the *Adult Guardianship Act-Part 3*— Support and Assistance for Abused and Neglected Adults, introduced February 28, 2000, the Public Guardian and Trustee supported the development of about 70 Community Response Networks around the province. The CRNs are comprised of individuals, groups and agencies, who work together using a community development approach to promote a coordinated response in their communities to adult abuse, neglect and self-neglect. The philosophy behind this approach is that legislation alone doesn't keep people safe, communities do.

> "...legislation alone doesn't keep people safe, communities do."

The CRNs play a key role in educating and assisting community members in how to respond in cases of abuse and neglect. The CRNs' interactive role with B.C.'s Public Guardian and Trustee is unique in Canada.

To support the continued effectiveness of the CRNs, the Public Guardian and Trustee has provided financial grants, resource materials, staff expertise, training and policy development. One challenge for CRNs is developing diversified long-term funding.

PUBLIC EDUCATION

Since 1989, advocacy and seniors' groups and other organizations affected by the new adult guardianship legislation have been part of the planning for its introduction into law. Following the proclamation of the four Acts this year, representatives from these groups continued to participate in policy and implementation discussions. As a result of this input, the PGT has been assisted in developing policies and information for public dissemination, as well as a framework for collecting data that will contribute to evaluating the legislation in 2003.

Two full-time staff members of the Adult Guardianship Implementation Project, with additional assistance from the other operating divisions, ensured broad awareness of the new legislation by conducting public workshops, logging thousands of miles around B.C. in 1999-2000. Guides and brochures have been developed, updated and distributed throughout the year to CRNs, advocacy and seniors' groups, health authorities and the public to keep them abreast of changes.

HEALTH CARE DECISIONS TEAM

With the February 28, 2000 proclamation of the *Health Care (Consent) and Care Facility (Admission) Act*, the Public Guardian and Trustee now has new responsibilities in the area of health care decision-making on behalf of adults who are unable to make such decisions for themselves. In cases where no relatives are available, the PGT may authorize a substitute decision-maker or, in the absence of an appropriate substitute, assume the responsibility for health care decisions. It is anticipated the PGT may be asked to make about 600 to 700 substitute health care decisions a year for individuals who have no available relatives.

This service is delivered by a Health Care Decisions Team, seven days a week, 365 days a year. To ensure accessible service, the PGT introduced our first toll free number for health care decisions. Decisions undertaken by the PGT range from minor health care (e.g., diagnostic testing, medication) to major health care (e.g., surgery, intrusive treatments and palliative care). Many new policies have been prepared and team members received extensive training. In 2000-2001, the Health Care Decisions Team will continue to educate health care providers around the province about the new laws.

REPRESENTATION AGREEMENTS

The new *Representation Agreement Act* allows adults in B.C. to choose someone they trust to be their representative and to make decisions about personal care, health care and legal and financial matters should the adult become mentally incapable of making their own decisions independently. The Public Guardian and Trustee's role is to increase awareness of the public's rights under the Act, and to receive and look into objections to representatives' decisions.

The Public Guardian and Trustee took a multi-tiered approach to communicating with the public about their new rights. As previously mentioned, the booklet "It's Your Choice – A Guide to Making Representation Agreements" was made available to the public via the Internet, mail, e-mail and at information sessions around the province.

TRAINING STAFF

Internally, the Services to Adults Division undertook the task of training staff in how and when to apply the new adult guardianship legislation. To assist, an employee update, the *Adult Guardian Bulletin*, was circulated to staff throughout the implementation phases. Employee training sessions were held throughout the year, including cross-training with the Health Care Decisions Team.

Improving Client Service and Access

CHILD AND YOUTH REGIONAL TEAMS

The Child and Youth Services Division administers trusts on behalf of approximately 11,000 children and youth in the province. Formerly, clients were allocated among trust case managers in Child and Youth Services on an alphabetical basis. This made it difficult to visit clients and be fully current on support services throughout the province. During the year, Child and Youth Services was reorganized into regional teams to allow for closer working relationships with families, social workers and other service providers in specific geographic regions. Multiple client visits in one region can now be coordinated more frequently, efficiently and at lower cost.

RIVERVIEW SATELLITE OFFICE

More than 200 clients, who are long-term patients at Riverview Hospital, benefitted during the year from the establishment of a new PGT satellite office. In this partnership arrangement, Riverview provides the office equipment and space, while the Public Guardian and Trustee provides the services of a Client Services case manager and an Assessment and Investigation Services regional consultant one day per week on alternating weeks. The arrangement has worked well to improve service to existing clients, their families and social workers, as well as to ensure that prospective new clients receive the right type of support. The effectiveness of the satellite office will be evaluated by questionnaire in the fiscal year 2000-2001 and is expected to provide useful information on improving service accessibility .

> "...Child and Youth Services was reorganized into regional teams to allow for closer working relationships with families, social workers and other service providers..."

FEEDBACK FROM PARENTS

When the office of the Public Guardian and Trustee is appointed by law to manage the finances of children under 19— such as in cases of inherited estates, motor vehicle accident awards, medical malpractice suits and those employed in the entertainment industry— parents are often unaware of and unclear about the office's role. This year, Child and Youth Services undertook focus group sessions with a representative cross-section of parents to identify best opportunities for when and how to inform parents of the PGT's involvement in their children's affairs.

As a result of the focus group findings, Child and Youth Services subsequently began development of a Parents' Information Package targeted for completion and distribution in the fourth quarter of 2000. The package will be available on the PGT's Web site, through direct mail response cards and at public libraries.

Enhanced Service and Technology

COMET TO GUARDIAN

Replacing the PGT's outdated COMET computer system with the new GUARDIAN technology continued as a work in progress. The process has been streamlined through the joint venture with the Public Trustee of Saskatchewan to allow enhancement of a previously developed product. To ensure the new GUARDIAN system meets both client service expectations and internal record-keeping demands, a core user group of front line employees and a steering committee were formed during the year.

INTERNET TRACING

Part of the job of the Public Guardian and Trustee is locating relatives of deceased persons, whose estates it administers. With the advent of powerful Internet search engines, the PGT has gained a valuable, instantaneous and cost-effective vehicle for locating the relatives of clients around the world.

In particular, the Estate Administration Division has found more heirs and reduced time in locating them using the Internet. The division has also been able to reduce the need for and costs of hiring professional heir tracers, as staff have increasingly been successful in conducting online searches using services that are free of charge.

Each year, the Child and Youth Services Division locates clients turning 19 for whom funds have been kept in trust and become payable. In the past, finding clients who have moved and have no known address, was difficult and expensive. Now, Internet telephone directories, criss-cross directories and CD Rom listings have helped locate clients who've turned 19, allowing them to obtain their funds.

www.trustee.bc.ca

The Public Guardian and Trustee's Web site has received approximately 2,000 visitor hits per month. Considerable work has also gone into making the site a central source of information on the role of the Public Guardian and Trustee and its guiding legislation. During the year, highlights of all four new Acts were published, as well as online versions of the PGT's representation agreement, guide booklet and other brochures. The site also helped streamline work related to employee applications by posting job opportunities and job descriptions online.

OPERATIONAL OVERVIEW 1999-2000

Child and Youth Services

The Public Guardian and Trustee protects the legal and financial interests of children under the age of 19. As trustee and guardian of a child's estate, the PGT delivers individualized service under a number of provincial laws. The PGT works directly with children and youth, as well as with their parents. In addition, the PGT is Guardian of Estate for children who are in continuing custody of the province and works closely with their social workers.

During 1999-2000, the Child and Youth Services Division changed its name from Services to Children to better reflect its responsibilities in acting for children ranging from infants to youths up to the age of 19. The division's 28 employees administered trusts on behalf of 11,000 children and youth. There has been a 15 per cent increase in the number of Child and Youth clients over the past five years.

Throughout the past year, trust managers have provided enhanced services to clients with disabilities. These services have included individualized budgeting with parents for cost of care requirements, renovation to family homes and purchase of property suitable for clients' special needs. Proactive individual investment planning has been undertaken with many Child and Youth clients who have substantial assets.

Regionalization of caseloads has also enabled Trust Management staff to foster relationships with many of the social and health services agencies in various communities, resulting in greatly improved services to clients.

Services to Adults

The Public Guardian and Trustee acts as a substitute decision-maker for adults who need assistance in decision-making and do not have available family or friends. The PGT protects the legal rights, and personal and financial interests of vulnerable adults, working to balance the rights of independence with the need for protection.

The Services to Adults Division faced considerable challenges during the year preparing for the new adult guardianship legislation while continuing to serve existing clients. More than half the division's clients suffer from diseases of aging, while others have mental illnesses, developmental disabilities or brain injuries.

The division has 90 employees and is divided into five departments: Assessment and Investigation Services, Client Services, Health Care Decisions Team, Estate Liaison, and Private Committee Services. Calls to the division's front lines increased 40 per cent in the year primarily as a result of inquiries into the Public Guardian and Trustee's assessment and investigative powers under the new adult guardianship legislation.

Adult Services experienced an increase in referrals to the Assessment and Investigation Services Department, which initiated about 60 to 70 investigations per month (up 15 per cent from the previous year). The increase is attributed to the demographics of an aging population and increased public awareness of the PGT's roles and services.

The division was successful in resolving issues more quickly through process improvements targeted at resolving simple cases within minimal time frames. This helped focus efforts on more complex cases, which have increased in recent years due to more client and family involvement, more involvement in contentious family disputes and a wider range of assets held by clients. Case managers further streamlined processes by implementing a new divisional standard to meet with Lower Mainland clients and families within six weeks of file opening. Caseloads in the Client Services Department were reduced in the past few years from approximately 400 clients per case manager to about 300.

Finance, Administration and Systems

The Finance, Administration and Systems Division provides a range of services both to the operating divisions of the PGT and directly to clients. In addition to processing client financial transactions, tax reporting, asset management, and corporate budgeting and accounting, the division initiated a project to implement a new trust accounting and case management system. It is expected that the new GUARDIAN system will be installed during 2001.

The investment of client's funds was enhanced in two separate areas. A pilot project was introduced to provide a diversified portfolio for a group of 100 clients with similar investment objectives. As a result, an increased rate of return was earned and similar opportunities will be provided to other clients in the future. As well, the number of investment options open to clients was increased by the implementation of the new *Public Guardian and Trustee Act*, which allows client investments to be managed using the "prudent investor" standard.

Planning, Policy and Communications

In 1999-2000, a primary emphasis in Planning, Policy and Communications— an in-house division supporting the operating divisions— was on developing written policies to accompany procedures that had previously been only verbally articulated. Of the 61 policies written in 1999-2000, the majority were related to adult guardianship legislation.

Over the last year, an emphasis was also placed on conducting workshops to help build the policy-development capacity of divisions within the organization. At the same time, communications were strongly focused on fine-tuning the Web site to provide access to virtually all PGT brochures and publications. In the coming year, the division will be heavily involved in the planning and evaluation aspects of the *Public Guardian and Trustee Act*, including the development of a service delivery plan for the PGT and a data collection framework for future evaluation of the four adult guardianship Acts.

Service since 1963

Estate Administration

Estate Administration had 2,671 open files as of March 31, 2000. Generally, these are estate matters relating to deceased persons. The Public Guardian and Trustee is responsible for settling their affairs.

The division's 27 staff members have assumed responsibility for an average of 498 clients each over the last five years with approximately 21 percent of these referred internally from Services to Adults.

At the same time, the division has concentrated more efforts at the front end of service delivery by finding family members and getting them involved in administering estates. Through technology and the Internet, next-of-kin have been located much faster, while beneficiaries around the world have been better informed and kept up-to-date through the use of faxes and e-mail.

The Estate Administration Division faces considerable challenges dealing with increased referrals from resource-pressed outside agencies, the increasing cost of certain information searches and attempts by disreputable heir tracers to entice beneficiaries into engaging them and sharing their estates. However, the division has developed strategies to cope with these issues and was highly successful during the year in conducting exhaustive worldwide searches to locate families, and in going to great measures to safeguard personal effects and memorabilia to pass on to them.

The division also administers the Public Guardian and Trustee Educational Assistance Fund, a bursary available by application to adult students, who as children were in the continuing custody of the province. The bursary was created to allow former permanent wards of the province opportunities to pursue viable long-term educational and vocational goals.

The Educational Assistance Fund has capital funds of almost $700,000, with a net income in 1999 of almost $46,000 derived for next year's bursaries. This year, there were 39 applicants for the 2000-2001 school year, with 30 qualified to receive bursary awards ranging from $600 to $2,300. The most common career pursuit of bursary recipients was teaching, while others have plans to pursue the arts, forestry/environment management, international relations and careers as a chef, dental assistant, heavy duty mechanic and Internet specialist.

Estates and Trusts Administered by the Public Guardian and Trustee of British Columbia

BALANCE SHEET

AS AT MARCH 31, 2000 (UNAUDITED)

($ IN THOUSANDS)	2000	1999
Assets:		
Cash (Note 2)	$ 397,653	$ 411,646
Funds Held in External Accounts	4,340	5,976
Receivables	22,867	19,287
Pensions, Annuities and Insurance	10,332	9,051
Securities and Investments (Note 3)	96,801	74,509
Jewellery and Collectibles	550	468
Real Properties	71,824	75,999
Vehicles	446	578
Household/Personal Effects and Other Assets	2,613	2,460
	$ 607,426	**$ 599,974**
Liabilities:		
Payable to the Public Guardian and Trustee:		
Fees and Commissions (Note 4)	$ 176	$ 284
Cost Reimbursements (Note 5)	728	586
	904	870
Mortgages and Agreements Payable	4,877	4,254
Notes, Loans and Other Payables	5,626	6,641
	10,503	10,895
Excess of Recorded Value of Assets over Liabilities	596,019	588,209
	$ 607,426	**$ 599,974**

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 2000 (UNAUDITED)

($ IN THOUSANDS)	2000	1999
Receipts:		
Proceeds from Asset Dispositions and Realization of Receivables	$ 70,327	$ 70,190
Pensions, Compensation and Assistance	35,614	35,988
Investment Income (Note 6)	20,559	21,173
Canadian Interest and Dividends	1,426	1,746
Other	9,438	9,951
Total Receipts	137,364	139,048
Disbursements:		
Funds Distributed to Heirs and Beneficiaries	60,270	56,502
Living and Personal Expenses	34,874	35,740
Capital Purchases (Note 7)	24,900	11,411
Commissions, Fees and Costs Paid to the Public Guardian and Trustee (Note 4)	10,440	9,866
Professional Services	4,653	4,963
Burial and Estate Settlement Expenses	4,302	4,394
Funds Escheated to the Crown (Note 8)	1,972	932
Medical, Dental and Other Health Care Expenses	1,574	1,513
Other	8,372	6,775
Total Disbursements	151,357	132,096
Excess of Receipts over Disbursements (Excess of Disbursements over Receipts)	(13,993)	6,952
Cash, Beginning of Year	411,646	404,694
Cash, End of Year	**$ 397,653**	**$ 411,646**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2000 (UNAUDITED)

REPORTING ENTITY

The *Public Guardian and Trustee Act* came into force on February 28, 2000. The Public Guardian and Trustee is the successor in office of the corporation sole formerly known as the Public Trustee.

The Public Guardian and Trustee of British Columbia operates under provincial legislative authority to uphold the legal rights and safeguard the financial interests of children and deceased and missing persons, and the financial, legal and personal care interests of adults requiring assistance in decision-making. The services offered by the Public Guardian and Trustee stem from the concept that society has a responsibility to assist those people who are unable to protect their own interests. The Public Guardian and Trustee is considered to be an appointment of last resort and provides a public service where no one else is willing and able to act.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(a) The balance sheet is prepared on the accrual basis of accounting.

(b) Asset valuation is generally based on approximate net realizable value at the commencement date of trusteeship, which is the date of death for estate administration and date of appointment for trust administration. When such value is not readily available or is inappropriate, a nominal value of $1 is used.

(c) Short term investments consist of units in the BC Investment Management Corporation's Pooled Investment Portfolios. Units are carried at the cost of acquisition adjusted by income attributed to the units and realizable upon the sale of the units.

(d) Bond investments consist of a segregated portfolio of fixed income bonds. Bonds are carried at cost adjusted for amortization of the premium or discount on purchase on a constant yield basis plus accrued interest.

NOTE 2 - CASH

Separate cash accounts are maintained for each client. Because most clients require cash on demand, the funds are invested in fully liquid investments.

($ IN THOUSANDS)	2000	1999
Cash (Overdraft)	$ (4,445)	$ (3,829)
Short Term Investments	264,323	271,990
Bond Investments	137,775	143,485
	$ 397,653	**$ 411,646**

As at March 31, 2000, the market value of these investments was $402,914 (1999 - $417,011).

The short term and bond investments are managed by BC Investment Management Corporation.

NOTE 3 - SECURITIES AND INVESTMENTS

This includes securities and investments held by clients in brokers, custodial and investment managed accounts.

NOTE 4 - FEES AND COMMISSIONS PAYABLE TO THE PUBLIC GUARDIAN AND TRUSTEE

Under the *Public Guardian and Trustee Act*, fees and commissions may be charged for performance of a duty or services rendered by or on behalf of the Public Guardian and Trustee.

NOTE 5 - COST REIMBURSEMENTS PAYABLE TO THE PUBLIC GUARDIAN AND TRUSTEE

This represents the obligations of clients to reimburse the Public Guardian and Trustee for costs incurred on their behalf.

NOTE 6 - INVESTMENT INCOME

Income from investments is paid as interest each month to clients based on their closing daily balances during the month. The average annual effective yield for the year ended March 31, 2000 was 5.46% (1999 - 5.52%).

NOTE 7 - CAPITAL PURCHASES

These amounts represent disbursements for the purchase of capital items, primarily investments and real property.

NOTE 8 - FUNDS ESCHEATED TO THE CROWN

All money deemed inactive and held for a period of ten years is transferred to the Consolidated Revenue Fund of the Province.

The Public Guardian and Trustee of British Columbia - Special Account

STATEMENT OF REVENUE, EXPENDITURE AND EQUITY

FOR THE YEAR ENDED MARCH 31, 2000 (UNAUDITED)

($ IN THOUSANDS)	2000	1999
Revenue:		
Fees and Commissions:		
Commissions	$ 7,928	$ 7,499
Asset Management Fees	2,168	1,959
Estate Administration File Opening Fees	94	84
Investment Income Earned by Inactive Accounts (Note 2)	738	534
Monitoring Fees	672	657
Cost Recoveries (including recoveries of prior years' expenditures)	159	156
	11,759	10,889
Funding Transfer from the Ministry of Attorney General (Note 3)	4,335	4,170
	16,094	15,059
Expenditure:		
Salaries and Benefits	10,615	10,340
Operating Costs:		
Building Occupancy	1,264	1,320
Legal Services (Note 4)	723	231
Other Operating and Administrative Costs	664	677
Other Professional Services	488	433
Computer System Support and Expenses	406	437
Clients' Property Management Costs	381	381
Deputy Official Administrators' Services	328	322
Telecommunications	228	231
Amortization Expense	260	338
Asset Acquisitions	0	128
Other Expenditures (Note 5)	121	175
Valuation Expense (Note 1)	0	10
Contributions	50	182
	15,528	15,205
Excess of Revenue over Expenditure (Excess of Expenditure over Revenue)	566	(146)
Equity, Beginning of Year	3,996	4,142
Equity, End of Year	4,562	3,996
Less: Net Assets (Note 6)	1,492	874
	3,070	3,122
Add: Liabilities (Note 8)	1,097	578
Cash, End of Year (Note 9)	**$ 4,167**	**$ 3,700**

The accompanying notes are an integral part of the financial statements.

SCHEDULE OF REVENUE

FOR THE YEAR ENDED MARCH 31, 2000 (UNAUDITED)

($ IN THOUSANDS)	COMMISSIONS	FEES	OTHER	TOTAL
Fees and Commissions:				
Adults' Trusts	$ 4,601	$ 1,043		$ 5,644
Deceased Persons' Estates	1,741	600		2,341
Children's Trusts	1,586	619		2,205
	7,928	2,262		10,190
Monitoring Fees:				
Children's Awards for Injuries		279		279
Private Committees		184		184
Applications to Court under Specific Acts		209		209
		672		672
Cost Recoveries (including recoveries of prior years' expenditures)			$ 159	159
Investment Income Earned by Inactive Accounts (Note 2)			738	738
Funding Transfer from the Ministry of Attorney General (Note 3)			4,335	4,335
Total Revenue	**$ 7,928**	**$ 2,934**	**$ 5,232**	**$ 16,094**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2000 (UNAUDITED)

REPORTING ENTITY

The *Public Guardian and Trustee Act* came into force on February 28, 2000. The Public Guardian and Trustee is the successor in office of the corporation sole formerly known as the Public Trustee.

The Special Account was created by authority of the *Public Trustee Amendment Act* of 1989 and was continued under the authority of the *Public Guardian and Trustee Act* of 2000. Its purpose is to provide services to clients of the Public Guardian and Trustee. Those clients are adults who require assistance in managing their affairs, deceased persons' estates where no other person is willing and able to act, the estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates. Revenue represents fees and commissions paid by clients of the Public Guardian and Trustee for services rendered, funding transfers from the Ministry of Attorney General and investment income earned by inactive accounts. Expenditures are for costs directly related to the provision of services to clients and for administration.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(a) Revenues are reported on an accrual basis.

(b) Expenditures are recorded for goods and/or services received during the year.

(c) Liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year-end.

(d) Valuation expense represents the change in the provision for doubtful accounts on commissions and fees over the prior year and is included on the Statement of Revenue, Expenditure and Equity. Reductions to the valuation account are shown as recoveries of prior years' expenditures and are included on the Statement of Revenue, Expenditure and Equity.

(e) Recorded capital assets are amortized on a straight-line basis over their estimated useful lives in accordance with the following schedule. No salvage value is assumed.

Mini Computer Software	5 years
Personal Computer Software	3 years
Personal Computer Hardware	3 years

In the case of pooled assets, when a pool of assets acquired in a given fiscal year has been fully amortized that pool must be written out of the books. This is referred to as "deemed disposition" and applies only to pooled assets.

Work-in-progress cost consists of development in progress on tangible capital assets that are not yet substantially [97%] complete. Work-in-progress is not amortized.

NOTE 2 - INVESTMENT INCOME EARNED BY INACTIVE ACCOUNTS

The Minister of Finance and Corporate Relations, under the authority of Section 13 of the *Public Trustee Act* and Section 24(2)(d) of the *Public Guardian and Trustee Act* directs the payment of investment income earned by inactive accounts to the Special Account.

NOTE 3 - FUNDING TRANSFER FROM THE MINISTRY OF ATTORNEY GENERAL

A transfer from a sub-vote of the Ministry of Attorney General was provided for adult guardianship legislation and other expenditures of the Public Guardian and Trustee beginning in the year ended March 31, 1994.

NOTE 4 - LEGAL SERVICES ($ IN THOUSANDS)

Legal services for the year ended March 31, 2000 are shown net of recoveries of $225 (1999 - $304).

NOTE 5 - OTHER EXPENDITURES ($ IN THOUSANDS)

Other expenditures for the year ended March 31, 2000 are shown net of recoveries of $172 (1999 - $72).

NOTE 6 - NET ASSETS ($ IN THOUSANDS)

	2000	1999
Revenue Accrual	$ 560	$ 369
Commissions Receivable	176	284
Other Receivables	12	31
Valuation Allowance for Doubtful Accounts	(82)	(133)
	666	551
Net Book Value Capital Assets (Note 7)	826	323
Total Net Assets	**$ 1,492**	**$ 874**

NOTE 7 - CAPITAL ASSETS ($ IN THOUSANDS)

	2000				1999
	Cost	Accumulated Amortization	Deemed Dispositions	Net Book Value	Net Book Value
Mini Computer Software	$ 439	$ 422	$ 0	$ 17	$ 79
Personal Computer Software	190	140	0	50	58
Personal Computer Hardware	859	514	117	228	186
Work-in-progress	531	0	0	531	0
Total	**$ 2,019**	**$ 1,076**	**$ 117**	**$ 826**	**$ 323**

NOTE 8 - LIABILITIES ($ IN THOUSANDS)

	2000	1999
Payroll Accrual	$ 37	$ 43
Employee Leave Liability	493	445
Accounts Payable	567	90
Total Liabilities	**$ 1,097**	**$ 578**

The Public Guardian and Trustee is an independent corporation established by statute to protect the interests of vulnerable persons in British Columbia.

NOTE 9 - CASH POSITION ($ IN THOUSANDS)

To calculate the uncommitted year-end cash position, the Cash, End of Year, must be adjusted for liabilities and cash flow requirements.

The cash flow requirement represents approximately one month's non-discretionary spending, including salaries and benefits, building occupancy, telecommunications, computer system support and contracts for the provision of client services including property management and Deputy Official Administrators' services.

	2000	1999
Cash, End of Year	$ 4,167	$ 3,700
Liabilities	(1,097)	(578)
Cash Flow Requirement	(1,300)	(1,200)
Cash Position	**$ 1,770**	**$ 1,922**

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